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- At present, the USSR is drawing no profit from USIA. The principal causes are the following:

- When USIA was organized in 1946, the Austrian economic consultants to the Soviets presented General Borisov, former chief of USIA, with a completely erroneous picture of the Austrian economic situation and its possibilities. These Austrian economists, notably Fellingner (Comment: This probably refers to Fellingner who was later attached to the USIA Light Industry Administration and dismissed in 1948), insisted that the entire USIA production could be marketed locally and led the Soviets to believe that what was in reality an abnormal post-war demand represented a permanent situation. Large quantities of USIA goods, which were produced before the currency reform, later proved unsaleable. USIA plants and warehouses at present have 80,000,000 to 100,000,000 schillings worth of unmarketable goods on hand. (Comment: Although the Soviets apparently realize that their initial policy was a mistake and have maintained their price research department, they have not improved their understanding of marketing and of the general economic situation in Central Europe to a sufficient extent.)
- The dismantling of plants in the early post-war period and the removal of war booty left USIA plants with a shortage of machinery. Such replacement as could be made was war booty equipment, which was brought from elsewhere, and which was not always suited to the production methods of the USIA plants concerned.
- USIA administration is costly, too large, and inefficient.

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